

MOBILE COUNTY COMMISSION



PROCUREMENT POLICIES AND PROCEDURES FOR USE OF STATE AND FEDERAL GRANT FUNDS

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INTRODUCTION

These policies and procedures apply to all contracts, subawards, purchase orders and expenditure of grant funds for any procurement related to Federal and State grant funds, as defined herein. The purpose of this document is to establish efficient and economical procurement procedures that are compliant with both State (i.e., Title 39 and Title 41, Chapter 16 of the Code of Alabama (1975), as amended¹) and Federal requirements (i.e., 2 CFR 200).

DEFINITIONS

“Grant funds” or “grant monies” means funds received through federal and/or state grants, whether those funds come directly from a federal or state agency or from a pass-through entity.

“Non-Federal entity” means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a Federal award as a recipient or subrecipient per 2 CFR 200.69.

“Pass-through entity” means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program per 2 CFR 200.74.

“Procurement” means the purchase/acquiring of labor, services, or work and the purchase or lease of goods (materials, equipment, supplies other personal property), by the expenditure or anticipated expenditure of federal or state grant funds (based on §41-16-20 Code of Alabama and 48 CFR 2.101).

“Public Works” mean the construction, installation, repair, renovation, or maintenance of public buildings, structures, sewer, waterworks, roads, curbs, gutters, side walls, bridges, docks, underpasses and viaducts as well as any other improvement to be constructed, installed, repaired, renovated, or maintained and to paid in whole or in part with grant funds, as generally consistent with §39-2-1(6) of the Code of Alabama.

“Simplified Acquisition Threshold” means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. The simplified acquisition threshold is currently \$250,000, but this threshold is periodically adjusted for inflation.²

¹ All references to the Code of Alabama herein refer to the Code of Alabama (1975), as amended.

² OMB Memorandum M-18-18 dated June 20, 2018 was issued to implement statutory changes to the micro-purchase and the simplified acquisition thresholds for financial assistance, changing these to \$10,000 and \$250,000 respectively. While the Federal Acquisition Regulation (FAR) at 48 C.F.R. Subpart 2.1 (Definitions) does not currently reflect these changes, the memo provides an exception allowing recipients to use the higher thresholds in advance of revisions to the FAR and the Uniform Guidance at 2 CFR §200.102. HUD Birmingham has concurred with the use of these higher thresholds.

“Subaward” means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity per 2 CFR 200.92.

“Subrecipient” means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program per 2 CFR 200.93.

When not otherwise defined herein, the definitions at 2 CFR 200 Subpart A (acronyms and definitions) apply.

APPLICABLE LAW

The Federal procurement standards set out at 2 CFR §200.318 through §200.326; the State of Alabama competitive bid law applicable to the purchase of labor, services or work and the purchase or lease of goods (“procurement” as defined herein) per §41-16-50 et seq., Code of Alabama; and the State of Alabama competitive bid law applicable to construction and improvement of public works found at §39-2-1 et seq., Code of Alabama, are applicable to procurements hereunder. To the extent of conflict between the requirements of this policy and Federal or State requirements, the most restrictive shall apply.

Individual grants may contain further requirements unique to those grants and in addition to the requirements of this policy.

The Alabama Code of Ethics for Public Officials, Employees, Etc., §36-25-1 et seq., Code of Alabama, including its conflict of interest provisions, is applicable to County officials, officers, and employees engaged in procurement. All Subrecipients, regardless of whether such would typically be subject to the Alabama Code of Ethics for Public Officials, Employees, Etc., are also required to comply with this act and disclose in writing any potential conflict of interest to the County, as required by 2 CFR 200.112.

GENERAL PROCUREMENT STANDARDS

(a) Oversight must be maintained to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(b) The acquisition of unnecessary or duplicative items must be avoided. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis must be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(c) Entry into state and local intergovernmental agreements or inter-entity agreements, where appropriate, for procurement or use of common or shared goods and services is encouraged.

(d) Use of state or federal excess and surplus property in lieu of purchasing new equipment and property when such use is feasible and will reduce project costs is encouraged.

(e) Use of value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions is encouraged. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(f) Contracts shall be awarded only to responsible and responsive contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, suspension or debarment, and financial and technical resources.

(g) Records must be maintained sufficient to detail the history of each procurement. Such records are to include, but not necessarily be limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(h) A time and materials contract:

(1) May be used only after a determination that no other contract is suitable. The contract must include a ceiling price that the contractor exceeds at its own risk. A high degree of oversight must be asserted in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

(2) Means a contract whose cost to the County is the sum of:

(i) The actual cost of materials; and

(ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(i) The County alone is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the County of any contractual responsibilities under its contracts.

[Reference: 2 CFR §200.318]

COMPETITION

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards set out in 2 CFR §200.318-.326. Any contractor that develops or drafts specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.

Restrictions to competition should be minimized. Situations considered to be restrictive of competition include, but are not limited to:

- (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
 - (2) Requiring unnecessary experience and excessive bonding;
 - (3) Noncompetitive pricing practices between firms or between affiliated companies;
 - (4) Noncompetitive contracts to consultants that are on retainer contracts;
 - (5) Organizational conflicts of interest;
 - (6) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
 - (7) Any arbitrary action in the procurement process.
- (b) Procurements must be conducted in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- (c) All solicitations must:
- (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 - (2) Identify all requirements which must be fulfilled and all other factors to be used in evaluating bids or proposals.
- (d) Prequalified lists of persons, firms, or products which are used in acquiring goods and services must be current and include sufficient qualified sources to ensure maximum

open and free competition. Potential bidders may not be precluded from qualifying during the solicitation period.

[Reference: 2 CFR §200.319]

METHODS OF PROCUREMENT TO BE FOLLOWED³

I. Procurement Other Than Public Works

The procurement of all labor, services⁴, or work and the purchase or lease⁵ of goods (materials, equipment, supplies, or other personal property) must conform to one of the following methods.

(a) Procurement by micro-purchases

Procurement where the aggregate dollar amount does not exceed \$10,000.00⁶ (or that amount set out in 2 CFR §200.67, as subject to Federal Acquisition Regulation 48 CFR Subpart 2.1, as may be amended) may be awarded without soliciting competitive quotes if the price is deemed to be reasonable. To the extent practicable, such awards must be distributed equitably among qualified suppliers.

(b) Procurement by small purchase procedures

Procurement where the aggregate cost which is more than \$10,000.00, but less than \$15,000.00 (or that amount set out in § 41-16-50(a), Code of Alabama, as the same may be amended from time to time).

In the case of procurement by small purchase, price or rate quotations will be obtained, whenever possible, from three (3) vendors (and never fewer than two vendors). Quotations may be secured via fax, email, telephone or otherwise. All solicitation efforts and quotations must be documented in writing for the file so that information regarding the vendor, date, and amount of quote can be readily determined.

³ Reference is made to 2 CFR §200.320 and Code of Alabama as noted.

⁴ Exemptions related to professional services per §41-16-51 (a)(3) Code of Alabama are **NOT** exempted when using federal funds; however, for the purposes of architectural and engineering services specifically, price cannot be used as a selection factor per 2 CFR §200.320(c)(5).

⁵ Applies where the lessee is or become legally and contractually bound under the terms of a lease to pay a total amount of \$15,000 or more, per §41-16-50(a), Code of Alabama.

⁶ The current micro-purchase threshold per OMB Memorandum dated 6/20/18 is \$10,000; however, for construction subject to 40 U.S.C. Chapter 31, subchapter IV, Wage Rate Requirements (Construction), the threshold is \$2,000.

(c) Procurement by sealed bids (formal advertising)

Procurement where the aggregate cost is \$15,000.00 or more per §41-16-50 Code of Alabama: Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible and responsive bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price (including unit price contracts which are based on estimated quantities). The sealed bid method is subject to the following.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

- (i) A complete, adequate, and realistic specification or purchase description is available;
- (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
- (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

- (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids;
- (ii) Invitations for bids must be publicly advertised in accordance with the Code of Alabama;
- (iii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- (iv) All bids must be publicly opened at the time and place prescribed in the invitation for bids;
- (v) A firm fixed price contract award must (except where all bids are rejected) be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(vi) Any or all bids may be rejected if there is a sound documented reason.

II. Procurement of Public Works

Must conform to one of the following methods:

(a) Procurement of public works \$50,000 or less

Procurement may be done with or without formal advertising for sealed bids per §39-2-2(b)(1), Code of Alabama.

In the case of procurement of public works \$50,000 or less, price or rate quotations will be obtained, whenever possible, from three (3) vendors (and never fewer than two vendors). Quotations may be secured via fax, email, telephone or otherwise. All solicitation efforts and quotations must be documented in writing for the file so that information regarding the vendor, date, and amount of quote can be readily determined.

(b) Procurement by sealed bids (formal advertising)

Is required for the procurement of public works in excess of \$50,000 as required by §39-2-2 Code of Alabama: Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible and responsive bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price (including unit price contracts which are based on estimated quantities). The sealed bid method is the preferred method for procuring construction, subject to the following conditions:

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids;

(ii) Invitations for bids must be publicly advertised in accordance with the Code of Alabama;

(iii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iv) All bids must be publicly opened at the time and place prescribed in the invitation for bids;

(v) A firm fixed price contract award must (except where all bids are rejected) be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(vi) Any or all bids may be rejected if there is a sound documented reason.

III. Procurement by Competitive and/or Noncompetitive Proposals

Can be used under certain conditions and where bidding is not appropriate.

(a) Procurement by competitive proposals (Request For Proposals - RFP)

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(1) RFPs must be publicized and responses must be considered to the maximum extent practical;

(2) Proposals must be solicited from an adequate number of qualified sources;

(3) The RFP must identify all significant evaluation factors, including price or cost where required, and their relative importance, which will be used in evaluating proposals;

(4) Responses must be evaluated using criteria listed in the advertisement or solicitation;

(5) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(6) Competitive proposal procedures may be used for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method,

where price is not used as a selection factor, can only be used in procurement of A/E professional services⁷. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(b) Procurement by noncompetitive proposals

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source, which is documented in the file;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate.

IV. Procurement by a non-profit organization acting as a non-Federal entity

Title 41 and Title 39 of the Code of Alabama do not apply to non-profit organizations. In order to provide a uniform and reasonable standard, such organizations shall follow the requirements and applicable law as set forth herein. Further, when procurement by sealed bids (formal advertising) is required for a public works project, the non-profit will follow the requirements specific to a municipality rather than a county, as outlined at §39-2-2, id.

CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTITIES, AND LABOR SURPLUS AREA FIRMS

(a) All necessary affirmative steps must be taken to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

⁷ Fair and reasonable compensation for A/E professional services will be subject to a written and routinely accepted standard. While the standard may differ based on the source of grant/project funding, standards recognized herein include: 1) USDA Alabama Rural Development Approved Fees for Professional Engineering Services as of 3/10/10 (or future revisions), 2) Alabama Building Commission Architectural Fee Scale (current or future revisions), 3) Cost Estimating Tool for Engineering & Design Services, as provided by FEMA as of 12/18/15 (or future revisions), and 4) i) Mobile County Pay As You Go Program (PAYG) Contract Document for Professional Engineering Services which provide tables for design/CEI engineering fees and ROW fee/tract and ii) the Mobile County Pay As You Go Program Contract Document for Professional Geotechnical Engineering/Testing Services, which provide tables for geotechnical design/CEI engineering fees (current or future revisions). While other standards and/or means of determining fair and reasonable compensation may also be used based on complexity of the project, funding source, and/or grant program requirements, the use of such will need to be properly documented. Also see footnote #4.

- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- (5) Using the services and assistance, as appropriate, of such organizations as State agencies, local Chambers of Commerce, the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

[Reference: 2 CFR §200.321]

PROCUREMENT OF RECOVERED MATERIALS

A non-Federal entity that is a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

CONTRACT COST AND PRICE

- (a) A cost or price analysis must be performed in connection with every procurement action in excess of the current Simplified Acquisition Threshold (\$250,000 per 2 CFR §200.88 as set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 §2.101) including contract modifications. The method and degree of analysis will depend on the facts surrounding the particular procurement situation, but as a starting point, independent estimates must be made before receiving bids or proposals.
- (b) Profit must be negotiated as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. Consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting,

the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(c) Costs or prices based on estimated costs for contracts are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under 2 CFR Subpart E—Cost Principles.

(d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

[Reference: 2 CFR §200.323]

ALLOWABLE COSTS

Grant funds can only be used on allowable costs, which means that these are included in the project budget and are in compliance with the policies outlined herein.

[Reference: 2 CFR §200.302(b)(7) & 2 CFR §200.403]

FEDERAL AWARDING AGENCY OR PASS-THROUGH ENTITY REVIEW

The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed. Further, the non-Federal entity must also make available pre-procurement and procurement documents available for review upon request, consistent with the requirements of 2 CFR §200.324.

[Reference: 2 CFR §200.324]

BONDING REQUIREMENTS

Bonding is required per 2 CFR §200.325 for public works; however, for projects involving state funding only, §39-1-1, et seq., Code of Alabama and §39-2-4, et seq., Code of Alabama apply. Bonding may also be required for non-public works as set out in §41-16-50, et seq.,

[Reference: 2 CFR §200.325]

CONTRACT PROVISIONS

Contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards. In addition, other provisions may be required contingent upon requirements specific to the grant program and/or funding entity.

[Reference: 2 CFR §200.326]

RELATION TO OTHER POLICIES

This policy supplements and does not supplant the Mobile County Commission "General Purchasing Policies and Alabama Competitive Bid Law Guidelines." When a subrecipient does not have written procurement policies, those outlined herein will apply. In the event a subrecipient's procurement policies differ from the policies set forth herein, the County's policies and procedures will govern.

PROTECTED PERSONALLY IDENTIFIABLE INFORMATION (PII)

To the extent that the procurement process produces documents which contain PII, access to records will be protected (both electronic and hard copies) to the extent feasible from unnecessary release. Further protection of PII will comply with all applicable provisions of 2 CFR 200, as well as any grant specific requirements related to protecting personally identifiable information by limiting collection, managing access to such information, and protecting storage, retention and disposition of such information.

STATE OF ALABAMA

COUNTY OF MOBILE

I, Glenn L. Hodge, County Administrator, certify that the foregoing is a true and correct copy of the Procurement Policies and Procedures for Use of State and Federal Grant Funds, as amended, approved by the Mobile County Commission in regular meeting convened on the 10th day of August, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand and the official seal of the Mobile County Commission on this 17th day of August, 2020.



Glenn L. Hodge
County Administrator



Copy of Fee Schedules Referenced in Footnote #7



United States
Department of
Agriculture

Rural Development

4121 Carmichael Road
Suite 601
Montgomery, AL 36106
(334) 279-3615 / (334) 279-3495 TDD

United States Department of Agriculture
Alabama Rural Development
(Modified for Alabama CDBG projects 3/10/10)

APPROVED FEES FOR PROFESSIONAL ENGINEERING SERVICES
(AS A PERCENTAGE OF NET CONSTRUCTION PLUS CONTINGENCY COSTS)

Table I will apply to package lift stations, package treatment plants (water and sewer) where the supplier furnishes shop drawings, water distribution systems and related appurtenances.. Table II ordinarily will apply to that portion of a construction project which is unusually complex because it includes a water treatment plant, sewer, sewer treatment plant or the rehabilitation of an existing facility and drainage* projects. Table III* will apply for all highway, roadway and rail projects. Table IV* will apply for all resident inspection.

NET CONSTRUCTION + CONTINGENCY COST	TABLE I	TABLE II	TABLE III*	TABLE IV*
\$ 0 – 99,999	10.0	12.0	10.0	
100,000	9.6	11.5	9.4	6.0
200,000	8.8	10.2	8.9	5.5
300,000	8.4	9.4	8.7	5.0
400,000	8.0	9.0	8.3	4.8
500,000	7.8	8.8	8.0	4.6
600,000	7.6	8.6	7.7	4.4
700,000	7.4	8.4	7.5	4.3
800,000	7.3	8.0	7.3	4.2
900,000	7.2	7.8	7.2	4.1
1,000,000	7.0	7.4	7.0	4.0
2,000,000	6.6	7.2	6.6	3.0
3,000,000	6.4	7.0	6.4	2.5
4,000,000	6.1	6.8	6.1	2.0

The fees for project costs falling between the figures shown shall be interpolated to the nearest one-hundredth of one percent.

*NOTE: Drainage projects have been added to Table II. USDA Table III has been moved to Table IV and a new Table III for highway, roadway and rail services has been added for CDBG projects.

USDA Rural Development is an Equal Opportunity Lender, Provider, and Employer.
Complaints of discrimination should be sent to:
USDA, Director, Office of Civil Rights
Washington, DC 20250-9410

Certain surveys and tasks for design purposes are included in the basic design fee and are not to be classified as additional engineering services. The Engineering Services Agreement, Form RD 1942-19, should be referenced for these surveys and tasks. Schedules of compensation set out above have been adjusted to allow for this work.

The engineer also agrees to make an inspection of the facilities prior to the end of the one year warranty period without charge. He agrees to report any deficiencies noted and to make recommendations on ways of getting them corrected to the Owner.

The maximum amount of funds that can be authorized to compensate an engineer for providing resident inspection will be in accordance with Table III above. A flat fee of 6.0% will be used for all projects where the net construction plus contingency cost is \$100,000 or less. On projects where there are multiple contracts, the percentage to be paid under each table will be determined using the net construction plus contingency cost for the sum of all contracts.

AGREEMENT FOR ENGINEERING SERVICES

This Agreement, made this _____ day of _____, 20_____,
by and between _____, hereafter referred to as the OWNER,
and _____, hereinafter referred to as the ENGINEER:

THE OWNER intends to construct a _____
_____ in _____ County, State of _____

which may be paid for in part with financial assistance from the United States of America acting through Rural Development of the United States Department of Agriculture, pursuant to the consolidated Farm and Rural Development Act, (7 U.S.C. 1921 et seq.) and for which the ENGINEER agrees to perform the various professional engineering services for the design and construction of said system.

WITNESSETH:

That for and in consideration of the mutual covenants and promises between the parties hereto, it is hereby agreed:

SECTION A - ENGINEERING SERVICES

The ENGINEER shall furnish engineering services as follows:

1. The ENGINEER will conduct preliminary investigations, prepare preliminary drawings, provide a preliminary itemized list of probable construction costs effective as of the date of the preliminary report, and submit a preliminary engineering report following Rural Development instructions and guides.
2. The ENGINEER will furnish 10 copies of the preliminary engineering report, and layout maps to the OWNER.
3. The ENGINEER will attend conferences with the OWNER, representatives of Rural Development, or other interested parties as may be reasonably necessary.
4. After the preliminary engineering report has been reviewed and approved by the OWNER and by Rural Development and the OWNER directs the ENGINEER to proceed, the ENGINEER will perform the necessary design surveys, accomplish the detailed design of the project, prepare construction drawings, specifications and contract documents, and prepare a final cost estimate based on the final design for the entire system. It is also understood that if subsurface explorations (such as borings, soil tests, rock soundings and the like) are required, the ENGINEER will furnish coordination of said explorations without additional charge, but the costs incident to such explorations shall be paid for by the OWNER as set out in Section D hereof.
5. The contract documents furnished by the ENGINEER under Section A-4 shall utilize Rural Development-endorsed construction contract documents, including Rural Development General Conditions, Contract Change Orders, and partial payment estimates. All of these documents shall be subject to Rural Development approval. Copies of guide contract documents may be obtained from Rural Development.
6. Prior to the advertisement for bids, the ENGINEER will provide for each construction contract, not to exceed 10 copies of detailed drawings, specifications, and contract documents for use by the OWNER, appropriate Federal, State, and local agencies from whom approval of the project must be obtained. The cost of such drawings, specifications, and contract documents shall be included in the basic compensation paid to the ENGINEER.
7. The ENGINEER will furnish additional copies of the drawings, specifications and contract documents as required by prospective bidders, material suppliers, and other interested parties, but may charge them for the reasonable cost of such copies. Upon award of each contract, the ENGINEER will furnish to the OWNER five sets of the drawings, specifications and contract documents for execution. The cost of these sets shall be included in the basic compensation paid to the ENGINEER. Original documents, survey notes, tracings, and the like, except those furnished to the ENGINEER by the OWNER, are and shall remain the property of the ENGINEER.

Public reporting burden for this collection of information is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer, STOP 7602, 1400 Independence Avenue, S.W. Washington, D.C. 20250-7602. **Please DO NOT RETURN this form to this address.** Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.

8. The drawings prepared by the ENGINEER under the provisions of Section A-4 above shall be in sufficient detail to permit the actual location of the proposed improvements on the ground. The ENGINEER shall prepare and furnish to the OWNER without any additional compensation, three copies of a map(s) showing the general location of needed construction easements and permanent easements and the land to be acquired. Property surveys, property plats, property descriptions, abstracting and negotiations for land rights shall be accomplished by the OWNER, unless the OWNER requests, and the ENGINEER agrees to provide those services. In the event the ENGINEER is requested to provide such services, the ENGINEER shall be additionally compensated as set out in Section D hereof.
9. The ENGINEER will attend the bid opening and tabulate the bid proposals, make an analysis of the bids, and make recommendations for awarding contracts for construction.
10. The ENGINEER will review and approve, for conformance with the design concept, any necessary shop and working drawings furnished by contractors.
11. The ENGINEER will interpret the intent of the drawings and specifications to protect the OWNER against defects and deficiencies in construction on the part of the contractors. The ENGINEER will not, however, guarantee the performance by any contractor.
12. The ENGINEER will establish baselines for locating the work together with a suitable number of bench marks adjacent to the work as shown in the contract documents.
13. The ENGINEER will provide general engineering review of the work of the contractors as construction progresses to ascertain that the contractor is conforming with the design concept.
14. Unless notified by the OWNER in writing that the OWNER will provide for resident inspection, the ENGINEER will provide resident construction inspection. The ENGINEER'S undertaking hereunder shall not relieve the contractor of contractor's obligation to perform the work in conformity with the drawings and specifications and in a workmanlike manner; shall not make the ENGINEER an insurer of the contractor's performance; and shall not impose upon the ENGINEER any obligation to see that the work is performed in a safe manner.
15. The ENGINEER will cooperate and work closely with Rural Development representatives.
16. The ENGINEER will review the contractor's applications for progress and final payment and, when approved, submit same to the OWNER for payment.
17. The ENGINEER will prepare necessary contract change orders for approval of the OWNER, Rural Development, and others on a timely basis.
18. The ENGINEER will make a final review prior to the issuance of the statement of substantial completion of all construction and submit a written report to the OWNER and Rural Development. Prior to submitting the final pay estimate, the ENGINEER shall submit a statement of completion to and obtain the written acceptance of the facility from the OWNER and Rural Development.
19. The ENGINEER will provide the OWNER with one set of reproducible record (as-built) drawings, and two sets of prints at no additional cost to the OWNER. Such drawings will be based upon construction records provided by the contractor during construction and reviewed by the resident inspector and from the resident inspector's construction data.
20. If State statutes require notices and advertisements of final payment, the ENGINEER shall assist in their preparation.
21. The ENGINEER will be available to furnish engineering services and consultations necessary to correct unforeseen project operation difficulties for a period of one year after the date of statement of substantial completion of the facility. This service will include instruction of the OWNER in initial project operation and maintenance but will not include supervision of normal operation of the system. Such consultation and advice shall be furnished without additional charge except for travel and subsistence costs. The ENGINEER will assist the OWNER in performing a review of the project during the 11th month after the date of the certificate of substantial completion.
22. The ENGINEER further agrees to obtain and maintain, at the ENGINEER'S expense, such insurance as will protect the ENGINEER from claims under the Workman's Compensation Act and such comprehensive general liability insurance as will protect the OWNER and the ENGINEER from all claims for bodily injury, death, or property damage which may arise from the performance by the ENGINEER or by the ENGINEER'S employees of the ENGINEER'S functions and services required under this Agreement.

23. The services called for in the Section A-1 and A-2 of this Agreement shall be completed and the report submitted within _____ calendar days from the date of authorization to proceed. After acceptance by the OWNER and Rural Development of the Preliminary Engineering Report and upon written authorization from the OWNER, the ENGINEER will complete final plans, specifications and contract documents and submit for approval of the OWNER, Rural Development and all State regulatory agencies within _____ calendar days from the date of authorization unless otherwise agreed to by both parties.

If the above is not accomplished within the time period specified, this Agreement may be terminated by the OWNER. The time for completion will be extended by the OWNER for a reasonable time if completion is delayed due to unforeseeable causes beyond the control and without the fault or negligence of the ENGINEER.

SECTION B - COMPENSATION FOR ENGINEERING SERVICES

1. The OWNER shall compensate the ENGINEER for preliminary engineering services in the sum of _____ Dollars (\$ _____) after the review and approval of the preliminary engineering report by the OWNER and Rural Development.
2. The OWNER shall compensate the ENGINEER for design and contract administration engineering services in the amount of: (Select (a) or (b))
- (a) _____ Dollars (\$ _____) or
- (b) As shown in Attachment I

When Attachment I is used to establish compensation for the design and contract administration services, the actual construction costs on which compensation is determined shall exclude legal fees, administrative costs, engineering fees, land rights, acquisition costs, water costs, and interest expense incurred during the construction period.

3. The compensation for preliminary engineering services, design and contract administration services shall be payable as follows:
- (a) A sum which equals seventy percent (70%) of the total compensation payable under Section B- 1 and 2, after completion and submission of the construction drawings, specifications, cost estimates, and contract documents, and the acceptance of the same by OWNER and Rural Development.
- (b) A sum which, together with the compensation provided in Section B-3-(a) above, equals eighty percent (80%) of the compensation payable immediately after the construction contracts are awarded.
- (c) A sum equal to fifteen percent (15%) of the compensation will be paid on a monthly basis for general engineering review of the contractor's work during the construction period on percentage ratios identical to those approved by the ENGINEER as a basis upon which to make partial payments to the contractor(s). However, payment under this paragraph and of such additional sums as are due the ENGINEER by reason of any necessary adjustments in the payment computations will be in an amount so that the aggregate of all sums paid to the ENGINEER will equal ninety-five (95%) of the compensation. A final payment to equal 100 percent shall be made when it is determined that all services required by this Agreement have been completed except for the services set forth in Section A-21 hereof.

SECTION C - COMPENSATION FOR RESIDENT INSPECTION AS SET FORTH IN SECTION A-14

When the ENGINEER provides resident inspection, the ENGINEER will, prior to the preconstruction conference, submit a resume of the resident inspector's qualifications, anticipated duties and responsibilities for approval by the OWNER and Rural Development. The OWNER agrees to pay the ENGINEER for such services in accordance with the schedule set out in Attachment 1. The ENGINEER will render to OWNER for such services an itemized bill, once each month, for compensation for such services performed hereunder during such period, the same to be due and payable by the OWNER to the ENGINEER on or before the 10th day of the following period.

Under normal construction circumstances, and for the proposed construction period of _____ days, the cost of resident inspection is estimated to be \$ _____

SECTION D - ADDITIONAL ENGINEERING SERVICES

In addition to the foregoing being performed, the following services may be provided UPON PRIOR WRITTEN AUTHORIZATION OF THE OWNER and written approval of Rural Development.

1. Site surveys for water treatment plants, sewage treatment works, dams, reservoirs, and other similar special surveys as may be required.
2. Laboratory tests, well tests, borings, specialized geological, soils, hydraulic, or other studies recommended by the ENGINEER.
3. Property surveys, detailed description of sites, maps, drawings, or estimates related thereto; assistance in negotiating for land and easement rights.
4. Necessary data and filing maps for water rights, water adjudication, and litigation.
5. Redesigns ordered by the OWNER after final plans have been accepted by the OWNER and Rural Development, except redesigns to reduce the project cost to within the funds available.
6. Appearances before courts or boards on matters of litigation or hearings related to the project.
7. Preparation of environment impact assessments or environmental impact statements.
8. Performance of detailed staking necessary for construction of the project in excess of the control staking set forth in Section A-12.
9. The ENGINEER further agrees to provide the operation and maintenance manual for facilities when required for \$ _____.
Payment for the services specified in this Section D shall be as agreed in writing between the OWNER and approved by Rural Development prior to commencement of the work. Barring unforeseen circumstances, such payment is estimated not to exceed \$ _____. The ENGINEER will render to OWNER for such services an itemized bill, separate from any other billing, once each month, for compensation for services performed hereunder during such period, the same to be due and payable by OWNER to the ENGINEER on or before the 10th day of the following period.

SECTION E - INTEREST ON UNPAID SUMS

If OWNER fails to make any payment due ENGINEER within 60 days for services and expenses and funds are available for the project then the ENGINEER shall be entitled to interest at the rate of _____ percent per annum from said 60th day, not to exceed an annual rate of 12 percent.

SECTION F - SPECIAL PROVISIONS

SECTION G - APPROVAL BY RURAL DEVELOPMENT

This Agreement shall not become effective until approved by Rural Development. Such approval shall be evidenced by the signature of a duly authorized representative of Rural Development in the space provided at the end of this Agreement. The approval so evidenced by Rural Development shall in no way commit Rural Development to render financial assistance to the OWNER and is without liability for any payment hereunder, but in the event such assistance is provided, approval shall signify that the provisions of this Agreement are consistent with the requirements of Rural Development.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in duplicate on the respective dates indicated below.

(SEAL)

ATTEST: _____

Type Name: _____

Title: _____

OWNER: _____

By: _____

Type Name: _____

Title: _____

Date: _____

(SEAL)

ATTEST: _____

Type Name: _____

Title: _____

ENGINEER: _____

By: _____

Type Name: _____

Title: _____

Date: _____

APPROVED:

RURAL DEVELOPMENT

By: _____

Type Name: _____

Title: _____

Date: _____

INTERIM AGREEMENT

(For use only when OWNER is not legally organized on the date the Agreement for Engineering Services is executed.)

In lieu of the execution of the foregoing Agreement for Engineering Services dated the _____ day of _____, 20 ____, by the party designated as OWNER therein, the undersigned, hereinafter referred to as INTERIM PARTIES, have executed this Interim Agreement in consideration of the services described in Section A- 1 through A-3, inclusive, of said Agreement for Engineering Services to be performed by the ENGINEER, and the ENGINEER agrees to accept this Interim Agreement as evidenced by ENGINEER'S execution hereof contemporaneously with the execution of the Agreement for Engineering Services. The ENGINEER also agrees to perform the services set forth in Section A-1 through A-3, inclusive, of said Agreement in consideration of the sum stated in Section B-1 of said Agreement be paid in the manner set forth therein.

It is anticipated that the OWNER shall promptly become a legal entity with full authority to accept and execute said Agreement for Engineering Services and that the OWNER, after becoming so qualified, shall promptly take such action necessary to adopt, ratify, execute, and become bound by the Agreement for Engineering Services. The ENGINEER agrees that upon such due execution of the Agreement for Engineering Services by the OWNER, the INTERIM PARTIES automatically will be relieved of any responsibility or of liability assumed by their execution of this Interim Agreement, and that the ENGINEER will hold the OWNER solely responsible for performance of the terms and conditions imposed upon the OWNER by the Agreement for Engineering Services, including the payment of all sums specified in Section B-1 of said Agreement.

If the OWNER is not legally organized, or if after being duly organized it fails or refuses to adopt, ratify, and execute the Agreement for Engineering Services within 30 days from the date it becomes legally organized and qualified to do so, or if for any other reason the project fails to proceed beyond the preliminary stage described in Section A-1 through A-3 inclusive, of said Agreement, the INTERIM PARTIES agree to pay ENGINEER for such preliminary engineering services, an amount not to exceed the sum specified therefore in Section B-1 of said Agreement.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in duplicate this _____ day of _____, 20 ____.

OWNER

ENGINEER



STATE OF ALABAMA BUILDING COMMISSION

HOME

COMMISSION
MEMBERSTECHNICAL
STAFFSTATE
BUILDING CODEPLAN SUBMITTAL
REQUIREMENTSSTANDARD CONTRACTS
AND DOCUMENTSREQUIREMENTS FOR
PROJECT TYPESADMINISTRATIVE
RULES

MANUAL

REQUEST FOR A/E
PROPOSALSMANUAL OF
PROCEDURESBuilding Commission
Bulletins

FORMS

HOME INSPECTION

CHAPTER 4

SUPPLEMENT DETERMINATION OF BASIC FEE OR BASIC FEE RATE FOR DESIGN PROFESSIONAL SERVICES

A. MAXIMUM BASIC FEE

The Basic Fee shall be based upon the budgeted cost of the planned work stipulated in the O/A Agreement, but shall not be higher than a fee as determined by the "Schedule of Basic Fee Rates" below. A higher Basic Fee may be paid only if approved by the Director. A Basic Fee determined by the schedule may be adjusted without the Director's approval for Major Renovation as defined in Section D of this Supplement. Lower Basic Fees may be negotiated without the Director's approval when appropriate considering project size, cost, scope, repetition, etc.

If the Basic Fee is to be a percentage rate applied to the cost of the work, the percentage rate shall not be higher than the applicable rate of the "Schedule of Basic Fee Rates" with adjustment for major renovation, if applicable. If the Basic Fee is to be a fixed, lump sum amount, that amount shall not be greater than the amount that is the product of multiplying the budgeted cost of the work by the applicable percentage rate of the "Schedule of Basic Fee Rates" with adjustment for major renovation, if applicable.

B. SCHEDULE OF BASIC FEE RATES

COST OF THE WORK	FEE IN PERCENTAGE				
	BUILDING GROUP				
	I	II	III	IV	V
Up to \$100,000	8.0	9.0	10.0	11.0	12.0
100,001 to 200,000	7.0	8.0	9.0	10.	11.0
200,001 to 300,000	6.0	7.0	8.	9.0	10.0
300,001 to 400,000	5.9	6.9	7.9	8.9	9.9
400,001 to 500,000	5.8	6.8	7.8	8.8	9.8
500,001 to 600,000	5.7	6.7	7.7	8.7	9.7

600,001 to 700,000	5.6	6.6	7.6	8.6	9.6
700,001 to 800,000	5.5	6.5	7.5	8.5	9.5
800,001 to 900,000	5.4	6.4	7.4	8.4	9.4
900,001 to 1,000,000	5.3	6.3	7.3	8.3	9.3
1,000,001 to 1,250,000	5.2	6.2	7.2	8.2	9.2
1,250,001 to 1,500,000	5.1	6.1	7.1	8.1	9.1
1,500,001 to 1,750,000	5.0	6.0	7.0	8.0	9.0
1,750,001 to 2,000,000	4.9	5.9	6.9	7.9	8.9
2,000,001 to 2,500,000	4.8	5.8	6.8	7.8	8.8
2,500,001 to 3,000,000	4.7	5.7	6.7	7.7	8.7
3,000,001 to 3,500,000	4.6	5.6	6.6	7.6	8.6
3,500,001 to 4,000,000	4.5	5.5	6.5	7.5	8.5
4,000,001 to 5,000,000	4.4	5.4	6.4	7.4	8.4
5,000,001 to 6,000,000	4.3	5.3	6.3	7.3	8.3
6,000,001 to 8,000,000	4.2	5.2	6.2	7.2	8.2
8,000,001 to 10,000,000	4.1	5.1	6.1	7.1	8.1
10,000,001 to 12,000,000	4.0	5.0	6.0	7.0	8.0
12,000,001 to 14,000,000	3.9	4.9	5.9	6.9	7.9
14,000,001 to 16,000,000	3.8	4.8	5.8	6.8	7.8
16,000,001 to 18,000,000	3.7	4.7	5.7	6.7	7.7
18,000,001 to 20,000,000	3.6	4.6	5.6	6.6	7.6
20,000,001 to 22,000,000	3.5	4.5	5.5	6.5	7.5
22,000,001 to 24,000,000	3.4	4.4	5.4	6.4	7.4
24,000,001 to 27,000,000	3.3	4.3	5.3	6.3	7.3
27,000,001 to 30,000,000	3.2	4.2	5.2	6.2	7.2
30,000,001 to 33,000,000	3.1	4.1	5.1	6.1	7.1
33,000,001 to 36,000,000	3.0	4.0	5.0	6.0	7.0
36,000,001 to 39,000,000	2.9	3.9	4.9	5.9	6.9
39,000,001 to 42,000,000	2.8	3.8	4.8	5.8	6.8
42,000,001 to 46,000,000	2.7	3.7	4.7	5.7	6.7
46,000,001 to 50,000,000	2.6	3.6	4.6	5.6	6.6

50,000,001 to and over	2.5	3.5	4.5	5.5	6.5
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BUILDING GROUPS OF THE SCHEDULE

Group I: Industrial buildings without special facilities, parking structures and repetitive garages, simple loft type structures, warehouses exclusive of automated equipment, and other similar utilitarian type buildings.

Group II: Armories, apartments, cold storage facilities, dormitories, exhibition halls, hangers, manufacturing/industrial plants, office buildings without tenant improvements, printing plants, public markets, and service garages.

Group III: College classroom facilities, convention facilities, correctional and detention facilities, extended care facilities, gymnasiums (simple, prefabricated-pre-engineered, minimum types shall be classified under Group II), hospitals, institutional dining halls, laboratories, libraries, medical schools, medical office facilities and clinics, mental institutions, office buildings with tenant improvements, parks, playground and recreational facilities, police stations, public health centers, research facilities, schools (elementary and secondary), stadiums, and welfare buildings.

Also, central utilities plants, water supply and distribution plants, sewage treatment and underground systems, electrical sub-stations and primary and secondary distribution systems, roads, bridges and major site improvements when performed as independent projects. When any or all of these types of improvements are incidental to an overall plan of architectural development they will be grouped with the basic architectural service of the overall project unless stated otherwise in the agreement.

Group IV: Aquariums, auditoriums, art galleries, college buildings with special facilities, communications buildings, special schools, theaters and similar facilities.

Group V: Residences and specialized decorative buildings unless otherwise stated in the agreement. Custom designed furnishings shall be categorized in Group V except when considered incidental to the basic architectural service for a building.

C. APPLICATION OF BASIC FEE RATE

1. The Basic Fee percentage rate determined by the project budget shall be applied to the actual cost of the work. It is not necessary to change the Basic Fee percentage rate if the amount of the subsequent construction contract (as awarded or adjusted for minor change orders) falls within a higher or lower bracket of the schedule than the project budget. If major changes in the project and budget occur during the design or construction phases of the project and warrant a change in the Basic Fee percentage rate to provide fair and reasonable compensation, the change must be agreed upon in an amendment to the agreement. "Major Changes" include, but are not limited to, changes in project size, complexity, usage, arrangement, schedule, or phasing of the construction or improvement work and may or may not result in a major, or significant, change in the cost of the work. A Major Change may warrant adjustment of the Basic Fee rate if the change is requested by the Awarding Authority and the change requires additional design, administrative, consultant, or other services not contemplated in the agreement.

2. Unless otherwise stipulated in the agreement, the Basic Fee rate shall apply to the combined cost of all buildings or other work covered by the Agreement. If the work is executed in any manner other than under one lump sum construction contract, or one lump sum construction contract for sitework and a second lump sum construction contract for building construction, the Basic Fee rate shall be subject to adjustment.

3. If the work covered by an agreement is so divided that more than one building group is involved, the Basic Fee rate of the appropriate building group may be applied to each building. Such division of Basic Fee rates must be stipulated in the agreement.

4. If the scope of an agreement involves substantial duplication of buildings on the same site, the basic fee for all services shall be applicable to the cost of the work for the first building. One-half of the basic fee for Services A, B, and C (design services) shall be applicable to the cost of the work for the second building which is a substantial duplication of the first. The basic fee for Services A, B, and C for other buildings which are substantial duplications of the first and second buildings shall be negotiated and defined in the agreement, but in no case shall exceed the fee for the first duplication. The fees for Services D and E (contract and construction administration services) shall be paid in full for duplicated buildings.

5. If the scope of an agreement involves substantial duplication of buildings on more than one site, the Basic Fee for all services shall be applicable to the cost of the work of site improvements of each site as well as modifications required to adapt the design of the substantially duplicated building to conditions of the second, third, etc., sites. The Basic Fee for all services shall be applicable to the cost of the work for the first building. One-half of the Basic Fee for design services shall be applicable to the cost of the work for the second building which is a substantial duplication of the first. The basic fee for design services for other buildings which are substantial duplications of the first and second buildings shall be negotiated and defined in the agreement, but in no case shall exceed the fee for the first duplication. The fees for contract and construction administration services shall be paid in full for duplicated buildings.

D. ADJUSTMENT FOR MAJOR RENOVATION

An increase of up to 25% in the Basic Fee Rate will be allowed for major renovation projects. This adjustment is intended to provide compensation to the design professional for the added effort required to investigate and develop drawings of existing conditions and other additional work required for renovation. A project is considered a major renovation if more than 50% of the construction cost involves renovations and alterations. The application of this adjustment is negotiable and must be stipulated in the agreement to be effective. The presence and accuracy of "as-built" drawings of the existing conditions that can be provided by the Awarding Authority to the design professional may minimize or eliminate the need for this adjustment. In general, re-roofing projects are not to be considered as major renovations.

Cost Estimating Tool for Engineering and Design Services

The costs of basic engineering and design services normally performed by an architectural-engineering firm on complex construction projects are eligible for reimbursement. Such services include:

- Preliminary engineering analysis;
- Preliminary design;
- Final design; and
- Construction inspection.

While a final inspection and reconciliation will be used to determine the actual costs for reimbursement of these services, the costs can be estimated during project formulation using a percentage of the construction cost. Percentages are derived from FEMA engineering and design services cost curves. These curves, which were developed for FEMA from data developed by the American Society of Civil Engineers Committee on Professional Practice in 2005, show a correlation between engineering costs and total construction costs. These curves are shown in Figures 3 and 4. To use the curves, estimate construction costs for a project. Find the construction cost on the horizontal axis and, using the appropriate curve for either force account or contract work, read the associated percentage of engineering and design services from the vertical axis. This percentage can be multiplied by the estimated construction cost to determine an appropriate engineering and design cost estimate.

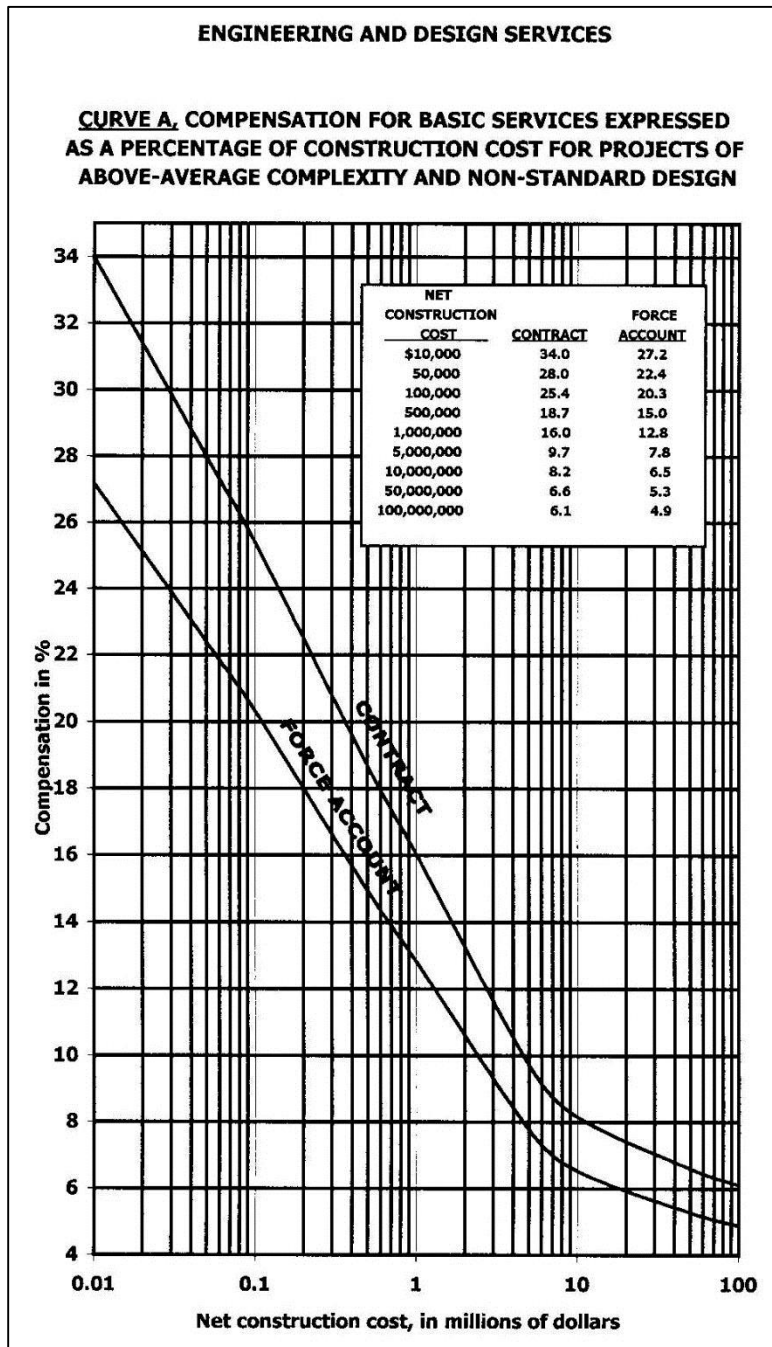
Curve A

Curve A¹ applies to projects of above-average complexity and nonstandard design. Examples of such projects include:

- Airports with extensive terminal facilities;
- Water, wastewater, and industrial waste treatment plants;
- Hospitals, schools, and office buildings;
- Power plants;
- Large dams and complicated small dams;
- Highway and railway tunnels;
- Pumping stations;
- Incinerators; and
- Complicated waterfront and marine terminal facilities.

¹ See **Figure 1** on page 2

Figure 1:
Engineering and Design Services of Above-Average Complexity



NOTE: “Contract” and “Force Account” above mean engineering and design services performed by contract or by an applicant’s own employees, respectively.

Curve B

Curve B² applies to projects of average complexity. Examples of such projects include:

- Industrial buildings, warehouses, garages, hangars, and comparable structures;
- Bridges and other structures of conventional design;
- Simple waterfront facilities;
- Roads and streets;
- Conventional levees, floodwalls, and retaining walls;
- Small dams;
- Storm sewers and drains;
- Sanitary sewers;
- Water distribution lines;
- Irrigation works, except pumping plants; and
- Airports, except as classified for Curve A.

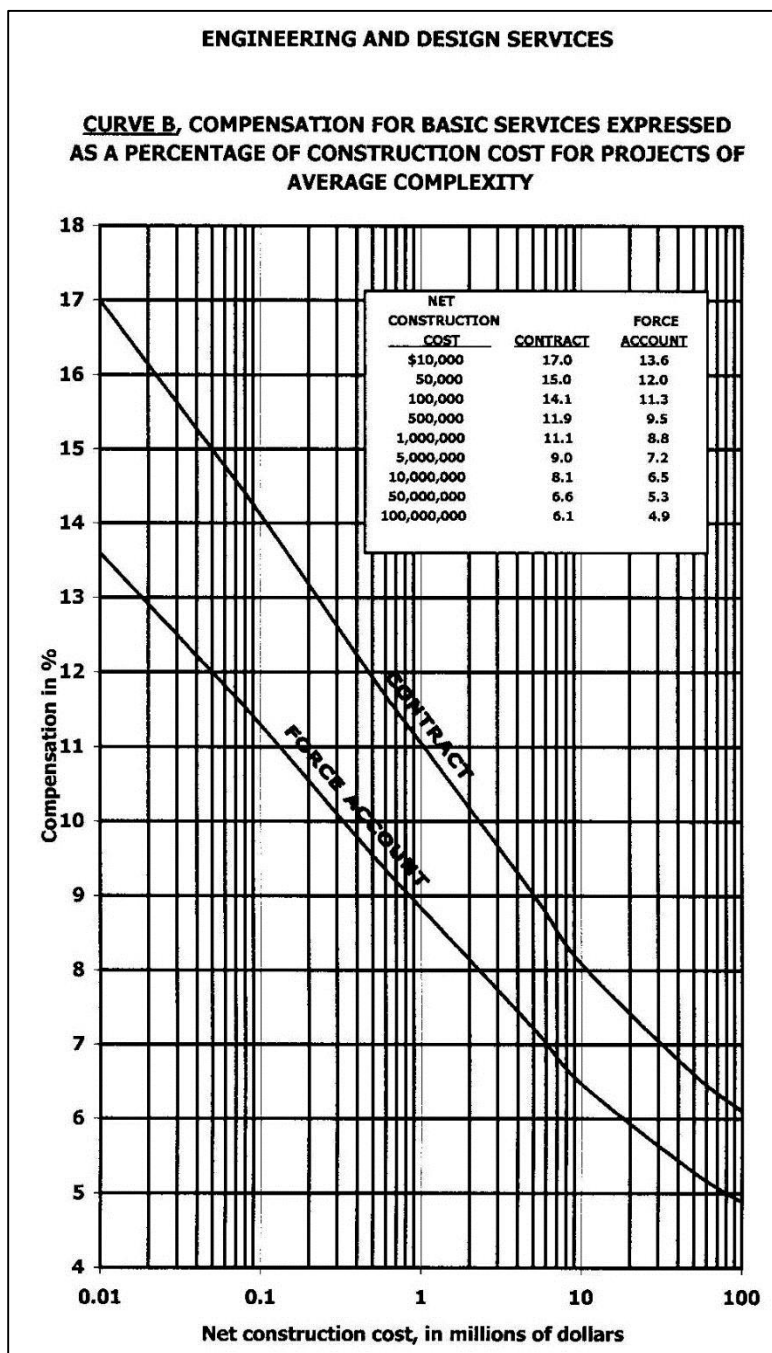
In addition to the basic engineering services, special services may be required for some projects. Such services include engineering surveys, soil investigations, services of a resident engineer, and feasibility studies. Because special services are not required on all projects, they are not included in the percentages on the engineering and design services curves. These services are estimated separately.

If a project requires only basic construction management, a fee not exceeding 3 percent of construction costs may be used for the estimate. Management functions include review of bids, work site inspection visits, checking and approval of material samples, review of shop drawings and change orders, review of contractor's request for payment, and acting as the client's representative. An example of a project requiring only inspection services but no design and engineering would be a building repair project that only included patching and painting damaged interior wall. Another example would be where a contractor is hired to repair local roads back to the pre-disaster condition, using local construction standards.

Estimates for engineering and design services and construction inspection typically are not included in small project estimates or emergency work project estimates except for complex projects or projects where special services are required.

² See **Figure 2** on page 4

Figure 2:
Engineering and Design Services of Average Complexity



NOTE: "Contract" and "Force Account" above mean engineering and design services performed by contract or by an applicant's own employees, respectively.

PART FIVE**PAYMENT****A. RIGHT-OF-WAY SURVEY, MAP AND DEED PREPARATION**

The **COUNTY** shall pay the **ENGINEER** for the services provided as outlined in Part One of this **CONTRACT**, Right-Of-Way Survey, based on the chart below with a maximum payment of \$15,000 for projects with construction costs less than \$1,000,000 and a maximum payment of 1.5% of the construction costs for projects with construction costs equal to or exceeding \$1,000,000.

<u># of Tracts of Right-of-Way or Easements to be Acquired</u>	<u>Fee/Tract</u>
1 - 5	\$ 740
6 - 10	635
11 - 15	580
16 - 20	545
21 - 25	520
26 - 30	500
31 - 35	485
36 - 40	475
41 - 45	465
46 - 50	455
51 AND OVER	450

B. DESIGN AND CONSTRUCTION ADMINISTRATION AND QUALITY ASSURANCE

The **COUNTY** agrees to pay the **ENGINEER** as compensation for such professional engineering services as required in Parts Two, Three and Four of this contract, an amount equal to a percentage, established in this section of the contract, of the total construction cost of the **PROJECT**. The cost used as a basis for computation of the full compensation to the **ENGINEER** means the construction cost to the **COUNTY** or other agencies of the completed **PROJECT**. This includes all materials, labor, and use of equipment and without deductions on account of penalties, liquidated damages or other amounts withheld from payments to **CONTRACTORS**. Such cost shall not include the **ENGINEER's** fee or compensation or other payments to the **ENGINEER** under this agreement. The

CONSTRUCTION cost shall not include the geotechnical fees, any fees associated with right-of-way acquisition, utility relocations costs, or any compensation required for or properly paid to the **COUNTY**'s regularly employed **COUNTY ENGINEER** and/or **COUNTY ATTORNEY** for services required of them in connection with any road improvement **PROJECT** covered hereby. Prior to award of the construction contract, any payments due the **ENGINEER** shall be computed as the appropriate percentage of the **ENGINEER'S** estimated construction cost or the construction budget, whichever is less. The term "construction cost" as used in this schedule to determine the fee payments is intended to mean the estimated construction cost of the **PROJECT** as shall be determined by the **COUNTY ENGINEER**.

For making of all designs, including drainage studies (except HEC-RAS) and final construction plans and specifications, and for quality assurance during construction, the fee shall be based on a percentage of the construction cost of each **PROJECT** authorized by the **COUNTY** in accordance with the following:

<u>Construction Costs</u>		<u>% Fee</u> <u>Design Phase</u>		<u>% Fee</u> <u>Construction Phase</u>	
\$	\$	<u>GDBP</u>	<u>RRR</u>	<u>GDBP</u>	<u>RRR</u>
Less than	\$ 100,000	10.40%	9.40%	12.88%	11.88%
100,000 to	250,000	9.08%	8.08%	11.68%	10.68%
250,000 to	500,000	8.09%	7.09%	10.40%	9.40%
500,000 to	750,000	7.65%	6.65%	9.60%	8.60%
750,000 to	1,000,000	7.32%	6.32%	9.12%	8.12%
1,000,000 to	2,000,000	6.95%	5.95%	7.84%	6.84%
2,000,000 to	4,000,000	6.60%	5.60%	7.68%	6.68%
4,000,000 to	6,000,000	6.22%	5.22%	7.52%	6.52%
6,000,000 to	9,000,000	6.00%	5.00%	7.20%	6.20%
9,000,000 to	12,000,000	5.80%	4.80%	7.00%	6.00%
12,000,000 to	And over \$	5.60%	4.60%	6.80%	5.80%

PART FOUR

PAYMENT

A. FEE SCHEDULE

For services performed by the **GEOTECHNICAL FIRM** under this **CONTRACT** for completion of work specified herein and as full and complete compensation therefor, including all expenditures made and all expenses incurred by the **GEOTECHNICAL FIRM** in connection with this **CONTRACT**, the **COUNTY** agrees to pay the **GEOTECHNICAL FIRM** as compensation for such professional engineering-testing services in accordance with the following:

DESIGN FEE and **CONSTRUCTION FEE**: The fee will be based on the schedule listed below:

<u>CONSTRUCTION COSTS</u>		<u>GEOTECHNICAL FEES</u>			
\$	\$	<u>DESIGN FEES</u>		<u>CONSTRUCTION FEES</u>	
		<u>GDBP</u>	<u>RRR</u>	<u>GDBP</u>	<u>RRR</u>
Less than	100,000	4.8%	*	4.4%	3.4%
100,000 to	250,000	4.1%	*	4.0%	3.0%
250,000 to	500,000	3.2%	*	3.9%	2.9%
500,000 to	750,000	2.8%	*	3.7%	2.7%
750,000 to	1,000,000	2.6%	*	3.5%	2.5%
1,000,000 to	2,000,000	2.2%	*	3.3%	2.3%
2,000,000 to	4,000,000	1.9%	*	3.3%	2.3%
4,000,000 to	6,000,000	1.8%	*	3.3%	2.3%
6,000,000 to	9,000,000	1.7%	*	3.3%	2.3%
9,000,000 to	12,000,000	1.6%	*	3.3%	2.3%
12,000,000	and over	1.5%	*	3.3%	2.3%

*Design services for resurfacing, restoration, and rehabilitation projects will be performed only at the request of the **ENGINEER** and the fee will be based on a list of standard fees for various laboratory and field tests. Such list will be submitted to and approved by the **COUNTY ENGINEERING DEPARTMENT** before any such tests are performed.

add FDR
to this.